

2019-23790 / Court: 011

CAUSE NO. _____

| | | |
|---------------------------|---|-------------------------|
| MERIDIAN HOSPITAL | § | IN THE DISTRICT COURT |
| SYSTEMS CORPORATION | § | |
| | § | |
| Plaintiff, | § | HARRIS COUNTY, TEXAS |
| | § | |
| VS. | § | |
| | § | |
| POST ACUTE MEDICAL, LLC, | § | _____ JUDICIAL DISTRICT |
| PAM PHYSICIAN ENTERPRISE, | § | |
| CLEAR LAKE INSTITUTE FOR | § | |
| REHABILITATION, LLC | § | |
| KEY MANAGEMENT GROUP, LLC | § | |
| | § | |
| Defendants. | § | JURY TRIAL DEMANDED |

**ORDER GRANTING PLAINTIFF'S ORIGINAL PETITION AND APPLICATION FOR
TEMPORARY RESTRAINING ORDER AND TEMPORARY INJUNCTION**

ON THIS 3 day of April, 2019, at 1:30 ~~pm~~/p.m., this Court considered Plaintiff's Petition and Application for Temporary Restraining Order and that, unless Defendants and their agents, representatives and those acting in concert with them, are immediately and continually restrained and enjoined that Plaintiff will suffer immediate and irreparable harm, for which it has no adequate remedy at law—specifically Defendants may continue research and development based on the Plaintiff's trade secrets, further dissemination of trade secrets, dilution of Plaintiff's value and records may be destroyed.

~~This order is necessary because the Defendants have not formally responded to the notice, and there is not enough time to hold a hearing before the irreparable injury, loss or damage occurs, including the named above.~~

Plaintiffs' application for a temporary restraining order is authorized by TEX. CIV. PRAC. & REM. CODE § 65.011(1), (5). An injunction is required to preserve the subject matter of the suit. The Court finds:

- a. A confidential relationship existed by contract and the disclosure of trade secrets.
- b. Meridian determined that PAM violated the user agreement and disclosed confidential information to a non-authorized user.
- c. PAM continues to use the trade secret and disclose it to a competitor evidenced by simultaneous login in India and Pennsylvania – namely KMG and its office in India.
- d. Harm is imminent and probable as the Chief Executive Officer stated that he will continue to build the software on their own.
- e. Meridian suffers and will continue to suffer irreparable harm if PAM retains access to the software and discloses it in contradiction to the Services Agreement and User Agreement to competing software developers.

THEREFORE, THE COURT ORDERS:

- ~~§ This Court shall restrain these Defendants without notice because of their intentional, unauthorized and repeated disclosure of trade secrets in violation of the Services and Business Associate Agreement and User Authorization to Plaintiff's competitor.~~
- A. ~~§~~ This Court shall hereby restrain Defendants from accessing, using, utilizing, ~~copying, studying, sharing, screen sharing~~ and generating reports ~~any and all~~ ^{for} Meridian Software (in any form whether captured by screenshot, document, whether electronic or otherwise, for any and all purposes, including to study, copy, duplicate, or replicate in order to prevent further sharing of the protected ~~trade secrets or confidential information.~~ ^{any purpose other than patient-related reports generated in the ordinary course of business under the agreement,}
- B. ~~§~~ This Court orders Defendant to disclose the name, entity and contact information for any and all ^{persons that accessed, studied, improperly viewed} any and all Meridian software ^{after 10/13/18} in order to prevent further irreparable harm by the wrongful disclosure within 5 days.
- ~~§ This Court orders Defendant PAM to continue to pay as a reasonable monthly royalty rate in the amount of \$59,300, beginning May 1, 2019 if this TRO is not dissolved, or in the alternative as an ongoing development cost based on the market value for the use of the software pending a full determination on the merits, until the temporary injunction is resolved for the misappropriation, theft~~

~~and sharing of the trade secret with Meridian's competitor, and potentially other improper users.~~

- C. ~~This Court shall order~~ ^{the identity of any individual entity} PAM to disclose and produce within 5 days any and all nondisclosure agreements executed ~~that relate to Meridian software.~~ ^(to 11/1/18) ~~with any~~ ^{those} individuals/entities.
- D. ~~This Court shall order~~ Defendants not to alter, destroy, or change any developments made to copy, research, analyze or otherwise try to reverse engineer the software. ^{and given access to medical software and}
- ~~This~~ Plaintiff's trade secrets are being threatened and are actively being disclosed to third parties who have not signed a User Agreement, and are in direct competition with Plaintiff. Defendants are not using the software for proper means, i.e. patient care, but to develop its own software directly or through third parties.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendants will appear before the 11 District Court on April 15, 2019, at 1:30 a.m./p.m. in the 11 District Court, Harris County, Texas, and then and there show cause, if any there be, why a Temporary Injunction should not be issued as prayed for by Plaintiffs.

This ORDER is effective immediately when pronounced in open court.

Bond was set and posted at \$ 1,000.

Signed at 2:20 o'clock ~~am~~ ^{p.m.} this 3 day of April, 2019. This Temporary Restraining Order shall remain in effect ~~until~~ ^{through} April 17, 2019, ~~at~~ ^{at} ~~a.m./p.m.~~

Darryl L. Moore
PRESIDING JUDGE.

This order applies to all defendants, their officers, agents, servants, employees, and attorneys, and to those persons ~~&~~ in active concert or participation with them who receive actual notice of the order by personal service or otherwise, P.H. Tex. R. Civ. P. 683.

APPROVED AND ENTRY REQUESTED:
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